GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:999
ANSWERED ON:23.10.2008
INCREASE IN PRICES OF STEEL
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Will the Minister of STEEL be pleased to state:

(a) whether the prices of steel have increased;

(b) if so, the reasons therefor;

(c) the consequential profit earned by the Steel Authority of India Limited (SAIL) during the last three years and the current year;

(d) the comparative rates of steel during the said period;

(e) the quantity of steel imported/exported during this period; and

(f) the steps taken by the Government to control the prices of steel?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI JITIN PRASADA)

(a) The retail prices of a representative category of steel items at Delhi from June 2005 to September 2008 are given in the Annex in reply to part (d) of the Question. The data in the table indicates that there is a wide fluctuation in price movement of different steel products.

(b) The rise in price of steel is attributable to various factors both in the supply side as well as the demand side. On the supply side, rise in price of steel can be attributed to a steep rise in the price of critical input materials such as iron ore, coking coal and metcoke in domestic and international markets. On the demand side the mismatch in demand and supply is the main reason for the rise in steel prices.

(c) The profit after tax of Steel Authority of India Ltd., (SAIL) during the last three years and during the first quarter of 2008-09 is given in the table below:-

Period	Amount (Rs. in Cr.)
2005-06	4013
2006-07	6202
2007-08	7537
2008-09 (1st Quarter)	1835

(d) The retail prices of a representative category of steel items at Delhi from June 2005 to September 2008 are given in the Annex.

(e) The import and export of finished steel in quantitative terms from 2005-06 and up to April-September 2008 is given in the table below.

Year	Total Finished Steel (mt)	
	Import	Export
2005-06	4.31	4.80
2006-07	4.93	5.24
2007-08	6.92	5.05
April-Sept. 2008-09	3.08	1.91

Source: JPC; =provisional

(f) The steps taken by the Government to stabilize steel prices in the country are as follows:

DEPB on steel products withdrawn w.e.f. 27.3.08.

Import Duty on all non-alloy steel, Zinc, ferro-alloys and metcoke revised to 'Nil' from 5%, w.e.f. 29.4.08 CVED on TMT bars and

rounds modified to'Nil' from 14%.

Export Duty @ 15% imposed on 10.5.08 on Pig Iron, Sponge Iron, Scrap, Ingots and all categories of non-alloy semi finished steel still continues.

Export Duty @ 10% was imposed on long products such as bars, wire rods, angles etc., on 10.5.08. This was later revised to 15% w.e.f. 13.6.08.

Ad-valorem export duty of 15% imposed on iron ore of all categories and grades.